

OCTOBER 31, 2000

MR VERNON WILLIAMS, SECRETARY
SURFACE TRANSPORTATION BOARD
1925 K STREET NW
WASHINGTON, D.C. 20423

DEAR SECRETARY,

I HAVE ENCLOSED AN ORIGINAL AND ONE COUNTERPART OF THE DOCUMENTS DESCRIBED BELOW, TO BE RECORDED PURSUANT TO SECTION 11303 OF TITLE 49 OF THE U.S.CODE.

THIS DOCUMENT IS AN ASSIGNMENT OF LEASE, A SECONDARY DOCUMENT, DATED OCTOBER 23RD, 2000. WE REQUEST THAT THIS ASSIGNMENT BE CROSS INDEXED.

THE NAMES AND ADDRESSES OF THE PARTIES TO THE DOCUMENTS ARE AS FOLLOWS:

MIDWEST RAILCAR CORPORATION (ASSIGNOR), 9876 213TH AVENUE, ELK RIVER, MINNESOTA, 55330 AND THE BANK OF EDWARDSVILLE (THE ASSIGNEE), 330 WEST VANDALIA, EDWARDSVILLE, IL. 62025.

A DESCRIPTION OF THE EQUIPMENT COVERED BY THE DOCUMENT FOLLOWS

FORTY-EIGHT (48) 70-TON WOODCHIP HOPPER CARS BUILT IN THE LATE 1970'S BEARING THE FOLLOWING NUMBERS DESCRIBED ON EXHIBIT A.

A FEE OF \$26 IS ENCLOSED. PLEASE RETURN THE ORIGINAL AND ANY EXTRA COPIES NOT NEEDED BY THE BOARD FOR RECORDATION TO THE BANK OF EDWARDSVILLE, ATTN: DAVID GANSNER, VICE PRESIDENT, 101 SOUTH MORRISON ST., COLLINSVILLE, IL. 62234

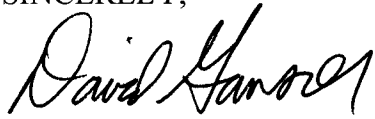
A SHORT SUMMARY OF THE DOCUMENT TO APPEAR IN THE INDEX FOLLOWS

A "ASSIGNMENT OF LEASE" BETWEEN MIDWEST RAILCAR CORPORATION, 9876 213TH AVENUE, ELK RIVER, MINNESOTA 55330, THE ASSIGNOR AND THE BANK OF EDWARDSVILLE, 330 WEST VANDALIA, EDWARDSVILLE, IL. 62025, THE ASSIGNEE, COVERING FORTY-EIGHT (48) 70-TON WOODCHIP HOPPER CARS BUILT IN THE LATE 1970'S BEARING THE FOLLOWING NUMBERS LISTED ON EXHIBIT A.

THIS DOCUMENT IS CONNECTED TO "FINANCING STATEMENT AND NOTICE OF
SECURITY INTEREST DATED OCTOBER 23RD, 2000, NOT YET RECORDED.

IF YOU SHOULD HAVE ANY QUESTIONS CONCERNING THIS LETTER PLEASE CALL
ME AT 618-344-6100.

SINCERELY,

A handwritten signature in black ink, appearing to read "David Gansner". The signature is fluid and cursive, with a large initial "D" and a stylized "G".

DAVID GANSNER
VICE PRESIDENT

EXHIBIT "A"

Borrower: **MIDWEST RAILCAR CORPORATION**
 3 PROFESSIONAL PARK DRIVE, SUITE B
 MARYVILLE IL 62062

Lender: **THE BANK OF EDWARDSVILLE**
 THE COLLINSVILLE CENTER
 101 SOUTH MORRISON
 COLLINSVILLE IL 62234

This EXHIBIT "A" is attached to and by this reference is made a part of each Promissory Note or Credit Agreement, Security Agreement and Boarding Data, dated October 23, 2000, and executed in connection with a loan or other financial accommodations between The BANK OF EDWARDSVILLE and MIDWEST RAILCAR CORPORATION.

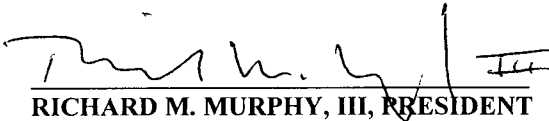
Forty-Eight (48) 70-ton Woodchip Hopper Cars, built in the late 1970's with the following numbers:

ICG	867005	867168	867424	867585
ICG	867006	867172	867431	867593
ICG	867023	867216	867439	867599
ICG	867032	867241	867444	
ICG	867036	867260	867459	
ICG	867046	867300	867484	
ICG	867069	867313	867487	
ICG	867085	867329	867492	
ICG	867087	867336	867519	
ICG	867098	867348	867523	
ICG	867100	867351	867531	
ICG	867138	867358	867533	
ICG	867139	867385	867568	
ICG	867155	867394	867569	
ICG	867157	867420	867580	

THIS EXHIBIT "A" IS EXECUTED ON OCTOBER 23, 2000.

BORROWER: MIDWEST RAILCAR CORPORATION


By:



RICHARD M. MURPHY, III, PRESIDENT

LENDER: THE BANK OF EDWARDSVILLE

By:



DAVID GANSNER, VICE-PRESIDENT

NOV 8 '00 4:00 PM

ASSIGNMENT OF LEASE**SURFACE TRANSPORTATION BOARD**

FOR VALUE RECEIVED, the undersigned, MIDWEST RAILCAR CORPORATION, 3 Professional Park Drive, Suite B, Maryville, IL, 62062, (the Assignor), hereby assigns, sets over, and transfers to THE BANK OF EDWARDSVILLE, 330 West Vandalia, Edwardsville, Illinois 62025, an Illinois Banking Corporation (The Bank), its successors and assigns, all of its rights, title, and interest in and to all rentals, charges, claims of rentals, and other monies due or to become due to the undersigned under or arising out of an original Lease Agreement, dated September 21, 2000, wherein the Assignor is the Lessor and Arkansas Louisiana & Mississippi Railroad Company, a whollyowned subsidiary of Georgia-Pacific Corporation, P.O. Box 757, Crosset, AR 71635, is the Lessee, said Lease dated September 21, 2000, and all amendments to and renewals thereof, together with all other rights, powers, guaranties, and remedies of the Assignor under the Lease, and together with all the right, title, and interest of the undersigned in and to the Commercial Security Agreement and property therein described on Exhibit A as security for the payment of said rentals and other monies, hereby granting full power to The Bank, either in its own name or in the name of the Assignor, to take all legal or other proceedings which the undersigned could have taken but for this assignment, in which case the undersigned shall have no further interest in the Lease, but shall remain liable to observe and perform all the covenants and obligations under the Lease and will be liable for all expenses, including, without limitation, reasonable attorney's fees, incurred by reason of The Bank's exercising its rights as Assignee hereunder. Under no circumstances shall The Bank be required or obligated in any manner to perform any of the obligations of the undersigned pursuant to the Lease by reason of this assignment. The Bank is irrevocably authorized, but not obligated, at any time to exercise all rights and remedies and collect, compromise, and release all rentals and other monies payable

ASSIGNMENT OF LEASE - PAGE 2

with the Lease in such manner and at such time as The Bank may, in its own discretion, deem advisable.

The Lease shall not be amended, and the rights of the parties shall not be altered in any respect, by waiver or otherwise, without the prior written consent of The Bank.

The Bank's waiver of any right or power accruing to it hereunder shall not constitute a waiver of any other right or power, and no forbearance, failure to exercise a power, or course of dealing shall be construed as a waiver of any such right or power unless given in writing.

After performance by the Lessee of the Lease of all its obligations in accordance with the terms thereunder, including payment in full of the rentals payable thereunder, The Bank shall have no further right to, or interest in, the property described in the Lease or the salvage value thereunder, if any, except the right to have recourse thereto or to the value of any proceeds thereof, to the extent of the interest of the undersigned or the Lessee therein, for application towards payment of unpaid obligations of the undersigned or the Lessee, as the case may be, to The Bank, if any, and except as follows:

- (1) If, at any time, the Lessee exercises any option it may have to purchase the leased equipment, The Bank shall have a first and prior claim upon and against all monies paid by the Lessee as a result of the exercise of such option at the time such payment is made.
- (2) If, at any time, the leased equipment is returned because of the failure of the Lessee to exercise its option to purchase, or for any other reason, then upon the subsequent sale of said equipment, The Bank shall have a first and prior claim upon and against all monies paid by any purchaser of the equipment at the time such monies are paid.

Notwithstanding any other provision herein, The Bank acknowledges that the assignment

of lease is for collateral security purposes only. As such, assignor shall continue to exercise all rights and shall be entitled to receive all payments under the lease unless and until an event of default shall have occurred under the Commercial Security Agreement dated October 23, 2000, between the assignor and The Bank.

This Assignment is made in accordance with and pursuant to a certain Note and Commercial Security Agreement dated October 23, 2000, between The Bank and the undersigned Assignor.

In Witness Whereof, the undersigned has made and delivered this Assignment this 23rd day of October, 2000.

MIDWEST RAILCAR CORPORATION,
The Assignor

By: 

Richard M. Murphy, III, President

THE BANK OF EDWARDSVILLE
The Bank

By: 

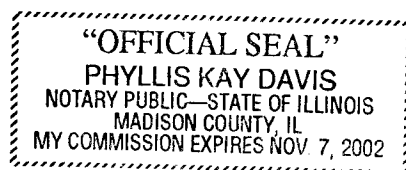
David W. Gansner, Vice-President

STATE OF Illinois }
COUNTY OF Madison }

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO
HEREBY CERTIFY that David W. Gansner, representing himself to be the duly-elected
Vice-President of The Bank of Edwardsville and personally known to me to be the same person
whose name appears on the forgoing instrument, appeared before me this date in person and
acknowledged that they signed, sealed, and delivered and said instrument as his free and
voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 31st day of October, 2000.

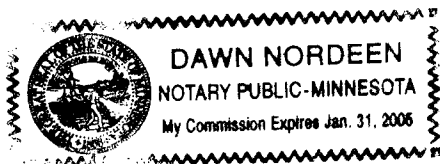
Phyllis Kay Davis
Notary Public



STATE OF Minnesota }
COUNTY OF Sherburne }

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO
HEREBY CERTIFY that RICHARD M. MURPHY, III, representing himself to be the duly-
elected and acting President respectively of MIDWEST RAILCAR CORPORATION, and
personally known to me to be the same person whose name appears on the forgoing instrument,
appeared before me this date in person and acknowledged that he signed, sealed, and delivered
and said instrument as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 25 day of October, 2000.



Dawn Nordeen
Notary Public

EXHIBIT "A"

Borrower: MIDWEST RAILCAR CORPORATION
3 PROFESSIONAL PARK DRIVE, SUITE B
MARYVILLE IL 62062

Lender: THE BANK OF EDWARDSVILLE
THE COLLINSVILLE CENTER
101 SOUTH MORRISON
COLLINSVILLE IL 62234


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By: 
RICHARD M. MURPHY, III, PRESIDENT

LENDER: THE BANK OF EDWARDSVILLE

By: 
DAVID GANSNER, VICE-PRESIDENT